

STATE OF HAWAII  
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES  
HONOLULU, HAWAII

July 2, 2009

ADDENDUM A  
TO  
SFS-09-01 ASO

Insurance Brokerage Services  
for  
Department of Accounting and General Services,  
State Risk Management and Insurance Administration

**Section 5.10, Economy of Presentations , page 15, line 4, (Proposals “shall not exceed 30 pages”)**

Question No. 1:

Does the 30 page Proposal length limit include or exclude the three page Executive Summary (Page 7, Section 3.3, Subsection III)?

Response:

The 30 page Proposal length limit includes the three (3) page Executive Summary (page 7, Section 3.3, Subsection II), since it is part of the Proposal. Refer to Section 3.3 Format and Content, refer to the first bullet, “Proposals must be organized in the following sections in the exact format ...” The exact format includes three sections: Section I Table of Contents; Section II Executive Summary, and Section III Proposal.

Question No. 2:

Will the selection Committee evaluate Proposals that exceed 30 pages?

Response:

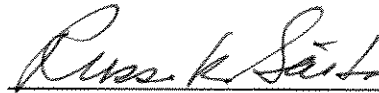
The Selection Committee will not evaluate proposals in excess of 30 pages, excluding resumes and exhibits. Refer to Section 3.3, Format and Content, “Any material deviation from these requirements will be classified as unresponsive and rejected.” Proposals in excess of the 30 pages maximum limit will be considered a material deviation from the requirements of the Section 3.3, Form and Content.

Question No. 3:

To adequately address the State's Specifications and Requirements will you grant an additional ten (10) page increase to the Proposals maximum length?

Response:

The State will not consider increasing the length of the response to an additional ten (10) pages. Thirty pages, excluding resumes and exhibits are adequate to address the State's Specifications and Requirements in SFS-09-01 ASO.

A handwritten signature in cursive script, reading "Russ K. Saito", written in black ink.

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RUSS K.SAITO

Procurement Officer, State of Hawaii

**NOTICE TO OFFERORS**

(This Procurement is Exempt From Chapter 103D, Hawaii Revised Statutes)

Solicitation for Services No. SFS-09-01-ASO ("SFS") for Insurance Brokerage Services for the Department of Accounting and General Services will be available beginning June 19, 2009, at the Department of Accounting and General Services, Risk Management Office, Kalanimoku State Office Building, 1151 Punchbowl Street, Room 111B, Honolulu, HI 96813, and is due by **July 20, 2009, 2:00 p.m., HST. to the above address.**

**To view this solicitation**, 1) at the State and County Procurement Notices screen, click on "More Information" and 2) at the State and County Procurement Notices Additional Information screen, click on "View Specifications Document".

**DOWNLOADING THE SOLICITATION From The Public Notice Website**

Offeror is advised that if interested in responding to this solicitation, Offeror may choose to submit its offer on a downloaded document provided Offeror registers its company by fax or e-mail for this specific solicitation. If Offeror does not register its company, Offeror will not receive addenda, if any, and its offer may be rejected and not considered for award.

**To Register or Request for Copy of Solicitation:**

**Submit FAX or E-Mail to:**      FAX No.:      (808) 586-0707  
E-Mail Address:      kerry.k.yoneshige@hawaii.gov

**And Provide the Following Information:**

-Name of Company	-Mailing Address	-Name of Contact Person
-Telephone Number	-Facsimile Number	-E-Mail Address
-Solicitation Number	-FedEx (or equivalent) account number (document will be sent by U.S. Postal Service first class if this is not provided)	

Contact person: Kerry Yoneshige, Business Management Officer (808) 586-0696

Russ K. Saito  
Procurement Officer

PNS: June 19, 2009

# Downloading from the Website

## DOWNLOADED SOLICITATION From Public Notice Website

Offeror is advised that if interested in responding to this solicitation, Offeror may choose to submit its offer on a downloaded document provided Offeror registers its company by fax or e-mail for this specific solicitation. If Offeror does not register its company, Offeror will not receive addenda, if any, and its offer may be rejected and not considered for award.

## Registration or Request for Copy of Solicitation

**Submit FAX or E-Mail to:**

FAX No.: (808) 586-0707

E-Mail Address: [kerry.k.yoneshige@hawaii.gov](mailto:kerry.k.yoneshige@hawaii.gov)

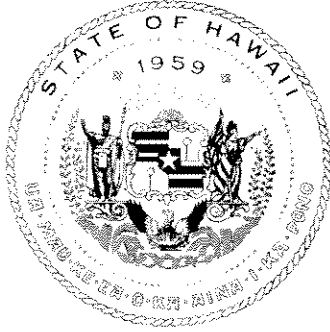
## Provide the following information:

-Name of Company  
-Telephone Number  
-Solicitation Number

-Mailing Address  
-Facsimile Number

-Name of Contact Person  
-E-Mail Address

-FedEx (or equivalent) account number (document will be sent by U.S. Postal Service first class if this is not provided)



## Department of Accounting and General Services

LEGAL AD DATE: June 19, 2009

**SOLICITATION FOR SERVICES  
No. SFS-09-01-ASO  
(THIS PROCUREMENT IS EXEMPT FROM  
CHAPTER 103D, HRS)**

**SEALED OFFERS  
FOR  
Insurance Brokerage Services for  
Department of Accounting and General Services,  
State Risk Management and Insurance Administration**

WILL BE RECEIVED UP TO 2:00 P.M. (HST) ON JULY 20, 2009  
IN THE ADMINISTRATIVE SERVICES OFFICE, KALANIMOKU BUILDING, 1151  
PUNCHBOWL STREET, ROOM 414, HONOLULU, HAWAII 96813. DIRECT QUESTIONS  
RELATING TO THIS SOLICITATION TO MR. KERRY K. YONESHIGE, BUSINESS  
MANAGEMENT OFFICER, TELEPHONE (808) 586-0696, FACSIMILE (808) 586-0707 OR  
E-MAIL AT [kerry.k.yoneshige@hawaii.gov](mailto:kerry.k.yoneshige@hawaii.gov).

  
\_\_\_\_\_  
Russ K. Saito  
Procurement Officer

\_\_\_\_\_  
STATE OF HAWAII  
Name of Company

SFS-09-01 ASO

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**SECTION ONE**  
**INTRODUCTION, SIGNIFICANT DATES AND BACKGROUND INFORMATION**

**1.1 TERMS AND ACRONYMS USED IN THIS SOLICITATION FOR SERVICES**

SFS	= Solicitation for Services
ASO	= Administrative Services Office
Agreement	= The Broker's proposal as accepted by the State, in conjunction with the Specifications and Requirements, Special Provisions, contained herein, and the GC, included by reference.
Procurement Officer	= The contracting officer for the Department of Accounting and General Services.
BMO	= The Business Management Officer, State of Hawaii.
RMO	= The Risk Management Officer, State of Hawaii.
State	= State of Hawaii and all agencies involved in this agreement with the exceptions noted herein.
DAGS	= Department of Accounting and General Services, located at 1151 Punchbowl Street, Room, 414, Honolulu, Hawaii 96813; P. O. Box 119, Honolulu, Hawaii 96810-0119.
Bidder or Offeror	= Any individual, partnership, firm, corporation, joint venture, or other entity submitting directly or through a duly authorized representative or agent, a bid for the goods and services contemplated.
Broker	= the Offeror or Bidder selected to represent the State of Hawaii during the selection term, refer to Section Five
HRS	= Hawaii Revised Statutes
HAR	= Hawaii Administrative Rules
GC	= General Conditions dated April 15, 2009 issued by the Department of the Attorney General.
GET	= General Excise Tax

**1.2 INTRODUCTION**

The State is seeking proposals from qualified entities for insurance brokerage services to design and market its property, liability, and crime insurance and to provide related services for the State of Hawaii. The Broker will receive its compensation directly from the insurance companies selected to provide insurance coverages to the State.

**1.3 PURPOSE**

The purpose of this SFS is to seek a qualified insurance broker to design and market a property, liability, and crime insurance program and to provide a wide range of related services for the State. It is the intent of the State to utilize the selected broker for at least three years, provided the service, coverage, and cost of the insurance policies remain satisfactory to the State. The initial term shall be from the date stated on the Letter of Selection through the December 1, 2012 policy term, with an option to extend, if mutually agreeable, by up to five (5) additional twelve (12) month periods or portions thereof.

## 1.4 BACKGROUND INFORMATION REGARDING THE STATE

### Background

Chapter 41D, Hawaii Revised Statutes, authorizes the State Comptroller to operate a comprehensive risk management and insurance program, excluding workers' compensation, medical malpractice, and public employee benefit programs. The State Risk Management and Insurance Administration is responsible for protecting the State against catastrophic losses and minimizing the total cost of insuring risk.

### Current Insurance Program

Summaries of the State's current insurance program and exposure data are contained in Appendices II and III. These Appendices provide key information regarding the size and scope of State operations.

## 1.5 SIGNIFICANT DATES OF THIS SFS

The SIGNIFICANT DATES present the State's best estimate of the anticipated schedule of events. If a component of this schedule, such as the opening date, is delayed, the rest of the schedule will likely be shifted by the same number of days.

The following schedule sets forth the significant dates and deadlines applicable to this SFS. The dates are merely estimates and not binding on the State. Nevertheless, by submitting its proposal, each Offeror: (a) agrees to complete its performance in compliance with the dates and deadlines set forth in the following schedule, unless the State expressly agrees to modify such schedule; and (b) represents and warrants to the State that such Offeror has the ability to comply with such schedule.

<u>Events</u>	<u>Date</u>
Advertisement of SFS	June 19, 2009
Deadline for Written Inquires	June 26, 2009
Addendum for Response to Questions Received, if required	July 2, 2009
Proposals Due	July 20, 2009, 2:00 p.m. HST
Proposals Opened	July 21, 2009
Proposal Evaluations	July 29, 2009
Letters of Selection/Non-Selection	July 31, 2009
Posting of Award	July 31, 2009

## **1.6 ISSUING OFFICE AND CONTACT PERSONS**

This SFS is issued by DAGS – ASO. The Contact Person, mailing address, and phone number are as follows:

Mr. Kerry K. Yoneshige  
Business Management Officer  
Administrative Services Office  
1151 Punchbowl Street, Room 414  
Honolulu, Hawaii 96813  
(808) 586-0696  
**(808) 586-0707 (FAX)**      email: [kerry.k.yoneshige@hawaii.gov](mailto:kerry.k.yoneshige@hawaii.gov)

## **1.7 WRITTEN INQUIRIES**

Written inquiries concerning this SFS must be received by the Contact Person by the Deadline for Written Inquiries specified above. Written inquiries must reference the SFS number, page, paragraph, and line or sentence to which the question relates.

All written inquiries received by the deadline will receive a written response that will be faxed and/or mailed to each Offeror who has registered for this SFS with the ASO. All written responses shall be issued as an addendum to the SFS and become, thereby, part of the SFS.

## **1.8 SUBMISSION OF PROPOSALS**

The Offeror shall submit original and eight (8) copies of the proposal in sealed envelopes or packages to the following address no later than the date and time specified in Section 1.5, Significant Dates of this SFS.

Department of Accounting and General Services  
Administrative Services Office  
Kalanimoku Building  
1151 Punchbowl Street, Room 414  
Honolulu, HI 96813

Proposals received after the Proposal Due Date and Time will NOT be accepted. Each Offeror accepts all risks associated with incorrect delivery or with failure to deliver proposal package to the Administrative Services Office before such date and time by any courier, mail or other delivery service.

## **SECTION TWO SPECIFICATIONS AND REQUIREMENTS**

The successful Broker shall be responsible for the design and marketing of the State's insurance program, to include the placement, and renewal, of the property, excess liability, and crime insurance policies and to provide a wide range of related services.

All work performed on behalf of the State shall become the property of the State and may be used by the State in the future.

Offerors must address the following Specifications and Requirements in their Proposals.

### **2.1     MARKETING**

Describe your approach on how the marketing of the State's insurance program will be conducted, including, but not limited, to the following:

- a.     Timeline for the marketing process.
- b.     A detailed explanation of the marketing strategy and process you propose for the current renewal and throughout the term of the agreement. Explain how you will work with the State and how it will be beneficial to the State.
- c.     Structuring insurance programs to eliminate gaps or overlaps in coverage, to include recommending coverage changes or program adjustments throughout the term on the agreement.
- d.     Policies that you recommend to be explored and why.
- e.     Coverage limits, deductibles, or self-insured retentions that you would explore and why.
- f.     Data you require to market the State's insurance program. If you include an application(s) or exposure summary forms, please keep them pertinent to the State.
- g.     Identify and provide a detailed explanation of financing options that might be considered within the autonomy of Risk Management.

### **2.2     RENEWAL**

Describe your approach on how the renewal process of the State's insurance program will be conducted, including, but not limited, to the following:

- a.     Timeline for the renewal process.
- b.     Detailed explanation of how the renewal process will be conducted and the steps to be executed.
- c.     Describe the roles of the broker and State.
- d.     Describe the information and/or the recommendations that will be provided and/or presented to the State, and its format, for evaluation prior to the renewal.
- e.     Describe how the responses from insurance companies will be open and transparent, including explanation of relationships with companies, to assure that the State has the most advantageous insurance program available and when it will be presented to the State prior to the renewal.

- f. Describe how you can consolidate underwriting renewal information for the State to reduce duplicate efforts in obtaining required data for the current and future renewals.
- g. Describe and/or provide copies of any forms that are required for the finalization of the renewal process.

## 2.3 QUALIFICATIONS

Provide the following information and in the format and order listed below:

- a. A description of your firm including a brief history, size, location and number of offices, and names of personnel who will handle the account:
  - Include a resume on each individual.
  - Describe their experience with large public agencies or other large insurance purchasers.
  - Office location of each account team member. You should include information on account executives, marketing personnel and other key account team members.

No substitution of any team member will be allowed without prior notification of changes to the State, to include resumes of the new team members.

- b. Three references. For each reference, provide the following information:
  - Name of client.
  - Name, title and phone number of contact.
  - Lines of coverage placed.
  - When your firm served the account
  - Approximate premium size.
- c. A description of any special expertise that will be of assistance to the State (available from insurers or through your firm). This could include program design, marketing, risk control, information systems, or other areas.

## 2.4 COMMITMENT OF RESOURCES AND ASSISTANCE

- a. Provide the minimum and maximum (if any) number of training sessions to be provided annually to the various departments.
  1. Proposed topics and how they will be conducted.
  2. Number of State Procurement Office training sessions.
- b. Describe the resources and/or assistance you can provide with difficult or disputed claims.
- c. Describe the resources and/or assistance you can provide for handling catastrophic or unusual claims.
- d. Describe the resources and/or assistance you can provide in analyzing loss exposures arising from existing or new operations and in developing measures for controlling losses.
- e. Describe the resources and/or assistance you can provide in updating the State's property inventory, an explanation of the process and data base/software program used to calculate replacement cost values.
- f. Describe the resources and/or assistance you can provide in the review and annual calculation of the cost allocation process which assesses State

- departments and agencies the cost of risk (insurance premiums and claims), including a method and related software (if applicable), to quantify increases for those departments with a greater number of losses and discounts for those departments with fewer losses.
- g. Describe resources and/or assistance you can provide in the continuity of operations of the State Risk Management and Insurance Administration program in the event of a catastrophe.
- h. Describe other resources and/or assistance that you can provide to improve the State Risk Management and Insurance Administration program.

## 2.5 SERVICING

Describe your approach to servicing, to include the following:

- a. Servicing each policy issued to the State.
- b. Explanation of when, and how, the State would be provided an original and an electronic copy of all policies.
- c. Explanation of how you will provide a comprehensive summary of the insurance policies for full understanding of coverage, limits, deductibles, and important limitations and/or exclusions.
- d. Ability to place new insurance policies and/or coverage the State may require (i.e.: master's builders' risk, owner controlled, or other specialized insurance policies).
- e. A description of how you will evaluate and monitor the financial stability of each insurer and notification to the State of adverse developments.
- f. Provide quarterly updates, at a minimum, on changes in the insurance market which affect the State's current insurance policies and renewal policies, to include recommendations to the State for changes in the insurance program that may benefit the State due to these changes.
- g. Provide quarterly report on the losses incurred under each insurance policy or provide a statement that no losses have been incurred in an Excel-compatible data base.
- h. Provide annual reports concerning the following areas:
  1. Update and analyze loss history to assist in determining the level of risk retention and risk transfer needed to protect the State by each September 1 based on data for the previous fiscal year ending June 30.
  2. Sufficiency of the amount of funds that should be in the state risk management revolving fund by each September 1 based on data for the previous fiscal year ending June 30.
  3. Probable maximum loss report by each September 1 based on data for the previous fiscal year ending June 30.
  4. Accomplishments during the year, objectives for the upcoming policy year, insurance policies placed, particular difficulties encountered and income earned on the State account, from all sources by each January 1.

## SECTION THREE PROPOSAL FORMAT AND CONTENT

### 3.1 INTRODUCTION

One of the objectives of this SFS is to make proposal preparation easy and efficient, giving Offerors ample opportunity to highlight their proposals. The evaluation process must also be manageable and effective. When an Offeror submits a proposal, it shall be a complete plan for accomplishing the tasks described in this SFS and any supplemental tasks the Offeror has identified as necessary to successfully meet the obligations outlined in this SFS.

The proposal shall describe in detail the Offeror's ability to provide Insurance Brokerage Services to meet the goals and objectives of this SFS as stated herein.

### 3.2 MULTIPLE PROPOSALS

Only one (1) proposal will be accepted from any one (1) person, partnership, corporation or other entity.

### 3.3 FORMAT AND CONTENT

Any material deviation from these requirements will be classified as unresponsive and rejected. Offerors must follow the requirements set forth below.

- Proposals must be organized in the following sections in the exact format using all titles, subtitles, and numbering, with tabs separating each section.
- Each section must be addressed individually and pages must be numbered.
- The submitted proposal must be letter sized (8-1/2" x11") with one (1) inch margins and not exceed thirty (30) pages, excluding resumes and exhibits.

**Section I Table of Contents.** A table of contents listing the individual sections of the Proposal and their corresponding page numbers. Tabs should separate each of the individual sections.

**Section II Executive Summary.** A letter, signed by an officer of the company, describing the Offeror and including all of the items below:

A brief synopsis of the highlights of the proposal and the overall benefits of the proposal to the State. This synopsis should not exceed three (3) pages in length and should be easily understandable.

Offer Form Page OF-1. Refer to *Section Six* of this SFS for the form.

Evidence of Insurance. Certificate of insurance evidencing Commercial General Liability (occurrence form) Automobile Liability, and Professional Liability insurance. Refer to *Section Five*, Insurance Requirements provision.

**Section III Proposal.** (This section shall include the Offeror's approach and response by addressing the Specifications and Requirements identified in Section Two above, and shall be the basis of the evaluation of Criteria in *Section Four* below.)

**SECTION FOUR**  
**EVALUATION CRITERIA AND BROKER SELECTION**

**4.1 GENERAL INFORMATION**

Selection committee. Evaluation of the proposals shall be within the sole judgment and discretion of the Selection Committee and the final selection will be at the sole discretion of the State Comptroller.

The Selection Committee shall consist of at least four employees of various State agencies. The committee members' technical backgrounds will include: risk managers, administrative officers, procurement specialists, and individuals responsible for review of insurance requirements for contracts.

The Selection Committee will be responsible for reviewing, evaluating, and ranking all proposals and submitting the Committee's final results to the Comptroller for final selection. The rankings will be based on the evaluation criteria of this SFS.

The Offeror selected (Broker) by the State will cooperate with the State in good faith to promptly fulfill its responsibilities as detailed in this SFS. If for any reason the Broker fails to perform to the reasonable satisfaction of the State, the State shall have the right to terminate all actions with that Broker without liability and to select another Offeror.

Modification to these provisions or additional provisions may be mandatory in the final selection, as required by applicable federal, or state laws, rules and regulations.

**4.2 EVALUATION CRITERIA**

Selection will be made to the responsible Offeror whose proposal is determined by the Selection Committee to provide the best value to the State based on the requirements of this SFS. Each proposal will be evaluated based on the five (5) criteria set forth below. A proposal that is unreasonable in terms of technical or schedule commitments, or unrealistic, will be deemed reflective of an inherent lack of technical competence or indicative of a failure to comprehend the complexity and risk requirements as set forth in this SFS.

**350 THE TOTAL NUMBER OF POINTS TO SCORE THIS PROPOSAL**

<u>POINTS</u>	<u>CRITERIA</u>
50	<p>Marketing:</p> <p>The marketing specifications and requirements will be evaluated based on the responsiveness of the Offeror to the listed criteria. The description of the approach to the marketing of the State's insurance program must demonstrate a thorough understanding of the marketing process and the abilities necessary to structure an insurance program for the State. This should include recommendations for types of policies, coverages, limits, deductibles, self-insured retentions and data required to be successful in the marketing of the insurance program, as well as financing options.</p>

<u>POINTS</u>	<u>CRITERIA</u>
50	<p><b>Renewal:</b></p> <p>The renewal specifications and requirements will be evaluated based on the responsiveness of the Offeror to the listed criteria. The description of the renewal process must demonstrate a thorough understanding of the renewal process and the abilities to place the State's insurance policies in a timely manner. The description must also provide explanation of the roles of the broker and the State in the process, as well as the ability to provide information and/or recommendations for evaluation prior to the renewal.</p>
50	<p><b>Qualifications:</b></p> <p>The qualifications specifications and requirements will be evaluated based on the demonstrated skills, abilities, knowledge, experience relating to the delivery and implementation of the proposed services, and special expertise that will be of assistance to the State.</p>
100	<p><b>Commitment of Resources and Assistance:</b></p> <p>The commitment of resources and assistance specifications and requirements will be evaluated on the responsiveness of the Offeror to the listed criteria. The description of the resources and assistance that will be provided for training, claims handling/processing, loss exposures, property inventory, cost allocation process, continuity of operations of the Risk Management office, and other related resources and/ or assistance will be evaluated on the number and relevancy to the State insurance and its variety of operations.</p>
100	<p><b>Servicing:</b></p> <p>The commitment of services specifications and requirements will be evaluated on the responsiveness of the Offeror to the listed criteria. The description should demonstrate a thorough explanation of how the insurance policies will be serviced, including how the State will receive the required policies, a comprehensive summary of policies, how the Offeror can place new insurance policies, monitor the financial stability of the insurers, and provide various reports.</p>

**350**

## **SECTION FIVE** **SPECIAL PROVISIONS**

### **5.1 SCOPE**

The Offeror shall provide insurance brokerage services for State of Hawaii, and shall be in accordance with the requirements of this SFS and the GC, included by reference. Copies of the GC are available at the ASO and on the Internet at <http://www4.hawaii.gov/StateFormsFiles/ag008.doc> .

### **5.2 REASONABILITY OF OFFERORS**

Due to the compressed timeline of this SFS and the timeline subsequent to the selection of the Broker, it is highly recommended that the Offeror furnish proof of compliance with the requirements of Section 103D-310(c), HRS, with their proposal:

1. Chapter 237, tax clearance;
2. Chapter 383, unemployment insurance;
3. Chapter 386, workers' compensation;
4. Chapter 392, temporary disability insurance;
5. Chapter 393, prepaid health care; and
6. Section 103D-310(c), Certificate of Good Standing (COGS) for entities doing business in the State.

Refer to the Selection provision 5.9 herein for instructions on furnishing the documents that are acceptable to the State through the Hawaii Compliance Express as proof of compliance with the above-mentioned requirements.

### **5.3 OFFEROR QUALIFICATIONS**

Offeror shall meet the following qualifications. If Offeror fails to meet these qualifications, the State shall not consider Offeror's proposal for selection.

1. Have at least five (5) years actual experience in the marketing, placement, and servicing of property, liability, and crime insurance coverage for public entities,
2. Offeror shall provide copies of the appropriate broker licenses, in compliance with §§431-9A and 431-8, HRS:
  - a. Resident Business Entity producer license
  - b. Non-Resident Business Entity producer license
  - c. Surplus Line Broker license

### **5.4 TERM**

The term shall be from the commencement date stated on the Letter of Selection, through the December 1, 2012 policy term, subject to semi-annual or annual performance evaluations in accordance with Section 5.28 Service Evaluations. The selection may be extended for five (5) additional twelve month periods or portions thereof, if mutually agreed upon in writing prior to the expiration of the selection term.

## 5.5 OVERVIEW OF THE SFS PROCESS

- a. This SFS is exempt from Chapter 103D, HRS.
- b. The procurement process begins with the issuance of the SFS by ASO and the formal response to any written questions or inquiries regarding the SFS. Changes to the SFS will be made only by Addendum.
- c. Proposals shall not be opened publicly, but shall be opened in the presence of two (2) or more procurement officials. The register of proposals and Offerors' proposals shall be open to public inspection after posting of the award.
- d. All proposals and other materials submitted by Offerors shall become the property of the State and may be returned only at the State's option.
- e. The Procurement Officer, or a selection committee selected by the Procurement Officer, shall evaluate the proposals in accordance with the evaluation criteria in Section FOUR.
- f. The contents of any proposal shall not be disclosed during the review, evaluation, discussion, or negotiation process. Once award notice is posted, all proposals, successful and unsuccessful, become available for public inspection. Those sections that the Offeror and the State agree are confidential and/or proprietary should be identified by the Offerors and shall be excluded from access.
- g. The Procurement Officer or a selection committee reserves the right to determine what is in the best interests of the State for purposes of reviewing and evaluating proposals submitted in response to the SFS. The Procurement Officer or a selection committee will conduct a comprehensive, fair and impartial evaluation of proposals received in response to the SFS and submit its final results to the Comptroller for final selection.
- h. The SFS, any addenda issued, and the successful Offeror's proposal shall become a part of the basis for the selection of the State's Broker and may be a part of the agreement with the Broker.

## 5.6 SUBMISSION OF PROPOSAL

**Submission of a proposal** shall constitute an incontrovertible representation by the Offeror of understanding, acceptance, and compliance with every requirement of this SFS, and that the SFS documents are sufficient in scope and detail to indicate and convey reasonable understanding of all terms and conditions of performance of the work.

Before submitting a proposal, each Offeror must:

- a. Examine the solicitation documents thoroughly. Solicitation documents include this SFS, any attachments, addenda, and any other relevant documentation;
- b. Become familiar with State, local, and federal laws, ordinances, rules, and regulations that may in any manner affect cost, progress, or performance of the work specified herein

Proposal shall be received at the ASO, 1151 Punchbowl Street, Kalanimoku Building, Room 414, Honolulu, Hawaii 96813, no later than the date and time stated in *Section One, Significant Dates*, or as amended. Timely receipt of offers shall be evidenced by the date and time registered by the ASO time stamp clock. Offers received after the deadline shall be returned unopened.

If the Offeror chooses to deliver its offer by United States Postal Service (USPS), please be aware that the USPS does not deliver directly to Room 414, but to a central DAGS mailroom. This may cause a delay in receipt by the ASO and the offer may reach the ASO after the deadline, resulting in automatic rejection.

## **5.7 PERMITS, CERTIFICATES, AND LICENSES**

The Broker shall obtain and pay for all permits, certificates, and licenses required and necessary for the performance of the work specified herein, shall post all notices required by law, and shall comply with all laws, ordinances, and regulations bearing on the conduct of the work specified.

The Broker shall comply with all business registration requirements prior to commencing work under this agreement. Failure to comply with the requirements of this paragraph may be grounds for a proposal to be rejected or the agreement to be terminated.

## **5.8 PROPOSAL PREPARATION**

- a. **OFFER FORM, OF-1.** See Attachment 1. Proposals shall be submitted using Offeror's exact legal name as registered with the Department of Commerce and Consumer Affairs, if applicable; and to indicate exact legal name in the appropriate spaces on Offer Form, OF-1. Failure to do so may delay proper execution of the agreement with the Broker.

The authorized signature on the first page of the Offer Form shall be an original signature in ink. If unsigned or the affixed signature is a facsimile or a photocopy, the offer shall be automatically rejected unless accompanied by other material, containing an original signature, indicating the Offeror's intent to be bound.

**Hawaii business.** A business entity referred to as a "Hawaii business", is registered and incorporated or organized under the laws of the State of Hawaii.

**Compliant non-Hawaii business.** A business entity referred to as a "compliant non-Hawaii business," is not incorporated or organized under the laws of the State of Hawaii but is registered to do business in the State.

- b. **Tax Liability.** Work to be performed under this solicitation is a business activity taxable under Chapter 237, HRS, and vendors are advised that they are liable for

the Hawaii GET at the current 4.5% rate. If, however, an Offeror is a person exempt by the HRS from paying the GET and therefore not liable for the taxes on this solicitation, Offeror shall state its tax exempt status and cite the HRS chapter or section allowing the exemption.

- c. **Original Proposal and Copies to be Submitted.** Offeror shall submit one (1) original proposal marked "ORIGINAL" and **eight (8) copies** of the original marked "COPY". It is imperative to note that the Offeror submit only one original and the required number of copies. DO NOT SUBMIT MORE THAN ONE ORIGINAL.

Offeror is encouraged to submit typewritten offers. If handwritten, it should be clearly printed. Offeror is cautioned that illegible offers of any item(s) may adversely affect the evaluation of the proposal.

- d. Costs for developing the Proposal are solely the responsibility of the Offeror, whether or not any award results from this solicitation. The State of Hawaii will not reimburse such costs.
- e. All proposals become the property of the State of Hawaii.
- f. Copies of documents transmitted by Offerors via facsimile machines shall be limited to the modifications or withdrawal of an offer and the qualifications of the Offeror.

## 5.9 SELECTION OF BROKER / PROPOSAL

**Method of Selection.** Selection, if made, shall be to the responsible Offeror whose proposal is determined to provide the best value to the State taking into consideration the evaluation factors set forth in this SFS.

**Responsibility of Offeror.** Reference HRS Section 103D-310(c). Prior to selection, the Offeror shall produce documents to the procurement officer to demonstrate compliance with this section.

**Hawaii Compliance Express.** Alternately instead of separately applying for these paper certificates at the various agencies, vendors may choose to use the Hawaii Compliance Express (HCE), which allows businesses to register online through a simple wizard interface at <http://vendors.ehawaii.gov/hce/splash/welcome.html> to acquire a "Certificate of Vendor Compliance". The HCE provides current compliance status as of the issuance date. The "Certificate of Vendor Compliance" indicating that the vendor's status is compliant with the requirements of HRS Section 103D-310(c) shall be accepted for both contracting purposes and final payment. Vendors that elect to use the new HCE services will be required to pay an annual fee of \$12.00 to the Hawaii Information Consortium, LLC (HIC). Vendors choosing not to participate in the HCE program will be required to provide the paper certificates as instructed in the following sections.

**HRS Chapter 237 tax clearance requirement for award.** Instructions are as follows:

Pursuant to HRS Section 103D-328, the Offeror shall be required to submit a tax clearance certificate issued by the Hawaii State Department of Taxation (DOTAX) and the Internal Revenue Service (IRS). The certificate shall have an original green certified

copy stamp and shall be valid for six (6) months from the most recent approval stamp date on the certificate. It must be valid on the date it is received by the ASO.

The tax clearance certificate shall be obtained on the State of Hawaii, DOTAX *TAX CLEARANCE APPLICATION* Form A-6 (Rev. 2003) which is available at the DOTAX and IRS offices in the State of Hawaii or the DOTAX website, and by mail or fax:

DOTAX Website (Forms & Information): <http://www.state.hi.us/tax/alphalist.html#a>  
DOTAX Forms by Fax/Mail: (808) 587-7572  
1-800-222-7572

Completed tax clearance applications may be mailed, faxed, or submitted in person to the Department of Taxation, Taxpayer Services Branch, to the address listed on the application. Facsimile numbers are:

DOTAX: (808) 587-1488  
IRS: (808) 539-1573

The application for the clearance is the responsibility of the Offeror, and must be submitted directly to the DOTAX or IRS and not to the ASO. However, the tax clearance certificate shall be submitted to the ASO.

**HRS Chapters 383 (Unemployment Insurance), 386 (Workers' Compensation), 392 (Temporary Disability Insurance), and 393 (Prepaid Health Care) requirements for award.** Instructions are as follows:

Pursuant to HRS Section 103D-310(c), the Offeror shall be required to submit a certificate of compliance issued by the Hawaii State Department of Labor and Industrial Relations (DLIR). The certificate is valid for six (6) months from the date of issue and must be valid on the date it is received by the ASO. A photocopy of the certificate is acceptable to the ASO.

The certificate of compliance shall be obtained on the State of Hawaii, DLIR *APPLICATION FOR CERTIFICATE OF COMPLIANCE WITH HAR SECTION 3-122-112*, Form LIR#27 which is available at [www.dlir.state.hi.us](http://www.dlir.state.hi.us) (at the menu click on **Employer Forms, LIR#27**), or at the neighbor island DLIR District Offices. The DLIR will return the form to the Offeror who in turn shall submit it to the ASO.

The application for the certificate is the responsibility of the Offeror, and must be submitted directly to the DLIR and not to the ASO. However, the certificate shall be submitted to the ASO.

**Compliance with HRS Section 103D-310(c), for an entity doing business in the State.** The Offeror shall be required to submit a *CERTIFICATE OF GOOD STANDING* (Certificate) issued by the State of Hawaii Department of Commerce and Consumer Affairs Business Registration Division (BREG). The Certificate is valid for six months from date of issue and must be valid on the date it is received by the ASO. A photocopy of the certificate is acceptable to the ASO.

To obtain the Certificate, the Offeror must first be registered with the BREG. A sole proprietorship, however, is not required to register with the BREG, and therefore not required to submit the certificate.

On-line business registration and the Certificate are available at [www.BusinessRegistrations.com](http://www.BusinessRegistrations.com). To register or to obtain the Certificate by phone, call (808) 586-2727 (M-F 7:45 to 4:30 HST). Offerors are advised that there are costs associated with registering and obtaining the Certificate.

**Timely Submission of all Certificates.** The above certificates should be applied for and submitted to the ASO as soon as possible. However, due to the compressed timeline of this SFS and the timeline subsequent to the selection of the Broker, it is highly recommended that the Offeror furnish proof of compliance with the requirements of with their proposal. If a valid certificate is not submitted on a timely basis for a selection to be made, an Offeror otherwise responsive and responsible may not be considered.

**Final Insurance Premium Payment Requirements.** A tax clearance certificate, not over two (2) months old, with an original green certified copy stamp; two (2) copies of the current DCCA Certificate of Good Standing; and two (2) copies of the DLIR form LIR#27, must accompany the invoice for payment. You may provide hard copies, or choose to use the HCE.

In addition to the tax clearance certificate, an original "Certification of Compliance for Final Payment" (SPO Form-22), will be required for final payment. A copy of the form is available at <http://www.spo.hawaii.gov/>. Select "Forms for Vendors/Contractors" menu.

## **5.10 ECONOMY OF PRESENTATION**

Proposals shall be prepared in a straightforward and concise manner, in a format that is reasonably consistent and appropriate to the purpose. Emphasis shall be on completeness and clarity of content. Proposals shall be submitted on letter size paper (8-1/2" x 11") with one (1) inch margins, and shall not exceed 30 pages, excluding resumes and exhibits. If any additional information is required by the State regarding any aspect of the Offeror's proposal, it shall be provided within two (2) business days of the State's request.

## **5.11 CONFIDENTIAL INFORMATION**

If a person believes that any portion of a proposal, offer, specification, or correspondence contains information that should be withheld as confidential, then the Procurement Officer named on the cover of this SFS should be so advised in writing and provided with justification to support confidentiality claim.

An Offeror shall request in writing nondisclosure of designated trade secrets or other proprietary data considered confidential. Such data shall accompany the proposal, be clearly marked, and shall be readily separable from the proposal in order to facilitate eventual public inspection of the nonconfidential portion of the proposal.

Pursuant to Section 24 of the GC, the head of the purchasing agency or designee shall consult with the Attorney General and make a written determination in accordance with Chapter 92F, HRS. If the request for confidentiality is denied, such information shall be

disclosed as public information, unless the person appeals the denial to the Office of Information Practices in accordance with Section 92F-42(12), HRS.

#### **5.12 REQUIRED REVIEW**

Offeror shall carefully review this solicitation for defects and questionable or objectionable matter. Comments concerning defects and questionable or objectionable matter must be made in writing and should be received by the ASO prior to the deadline for written questions as stated in the Section One. This will allow issuance of any necessary corrections to the SFS. It will also help prevent the opening of a possibly defective solicitation and unnecessary exposure of Offeror's proposal when award could not be made.

#### **5.13 QUESTIONS PRIOR TO OPENING OF PROPOSALS**

All questions must be submitted in writing and directed to the Contact Person. The State will respond to written questions by the date indicated in *Section One, Significant Dates*, or as amended.

#### **5.14 CANCELLATION OF SFS AND PROPOSAL REJECTION**

The State reserves the right to cancel this SFS and to reject any and all proposals in whole or in part when it is determined to be in the best interest of the State.

The State shall not be liable for any costs, expenses, loss of profits or damages whatsoever, incurred by the Offeror in the event this SFS is cancelled or a proposal is rejected.

#### **5.15 ADDITIONAL TERMS AND CONDITIONS**

The State reserves the right to add terms and conditions prior to the execution of the selection. These terms and conditions will be within the scope of the SFS and will not affect the proposal evaluations.

#### **5.16 OFFER ACCEPTANCE PERIOD**

The State's acceptance of offer, if any, will be within one hundred eighty (180) calendar days after the opening of proposals and shall remain firm for the one hundred eighty (180) day period.

#### **5.17 INSURANCE REQUIREMENTS**

The Broker shall maintain in full force and effect during the life of this agreement, liability and property damage insurance to protect the Broker and his subcontractors, if any, from claims for damages for personal injury, accidental death and property damage which may arise from operations under this agreement, whether such operations be by himself or by a subcontractor or anyone directly or indirectly employed by either of them. If any subcontractor is involved in the performance of the agreement, the insurance policy or policies shall name the subcontractor as additional insured.

As an alternative to the Broker providing insurance to cover operations performed by a subcontractor and naming the subcontractor as additional insured, Broker may require subcontractor to provide its own insurance which meets the requirements herein. It is

understood that a subcontractor's insurance policy or policies are in addition to the Broker's own policy or policies.

The following minimum insurance coverage(s) and limit(s) shall be provided by the Broker, including its subcontractor(s) where appropriate.

<u>Coverage</u>	<u>Limits</u>
<b>Commercial General Liability (occurrence form)</b>	<b>\$1,000,000 combined single limit per occurrence for bodily injury and property damage, including Products – Completed Operations \$2,000,000 aggregate</b>
<b>Automobile Liability</b>	<b>\$1,000,000 per accident</b>
<b>Professional Liability</b>	<b>\$5,000,000 each occurrence</b>

The Commercial General Liability and Automobile Liability insurance policies required of the Broker, including any subcontractor's policy, shall contain the following clauses:

1. "This insurance shall not be canceled, limited in scope of coverage or non-renewed until after 30 days written notice has been given to the State of Hawaii, Department of Accounting and General Services, Administrative Services Office, P. O. Box 119, Honolulu, Hawaii 96810-0119."
2. "The State of Hawaii is added as an additional insured as respects to operations performed for the State of Hawaii."
3. "It is agreed that any insurance maintained by the State of Hawaii will apply in excess of, and not contribute with, insurance provided by this policy."

The minimum insurance required shall be in full compliance with the Hawaii Insurance Code throughout the entire selection term, including all extended periods if exercised.

The Broker agrees to deposit with the State of Hawaii certificate(s) of insurance necessary to satisfy the State that the insurance provisions of this agreement have been complied with and to keep such insurance in effect and the certificate(s) therefore on deposit with the State during the entire term of this agreement, including those of its

subcontractor(s), where appropriate. Upon request by the State, Broker shall be responsible for furnishing a copy of the policy or policies.

Failure of the Broker to provide and keep in force such insurance shall be regarded as material default under this agreement, entitling the State to exercise any or all of the remedies provided in this agreement for a default of the Broker.

The procuring of such required insurance shall not be construed to limit Broker's liability hereunder nor to fulfill the indemnification provisions and requirements of this agreement. Notwithstanding said policy or policies of insurance, Broker shall be obliged for the full and total amount of any damage, injury, or loss caused by negligence or neglect connected with this agreement.

#### **5.18 NOTIFICATION OF SELECTION**

Successful Offeror shall receive a letter of selection signed by the Comptroller of the State of Hawaii.

No work is to be undertaken by the Broker prior to the commencement date specified in the Letter of Selection. The State of Hawaii is not liable for any work, costs, expenses, loss of profits, or any damages whatsoever incurred by the Broker prior to the official starting date.

#### **5.19 PERFORMANCE BONDS**

No performance bond is required.

#### **5.20 SUBCONTRACTING**

No work or services shall be subcontracted or assigned without the prior written approval of the Procurement Officer. No subcontract shall under any circumstances relieve the Broker of its obligations and liability under this agreement with the State. All persons engaged in performing the work specified herein shall be considered employees of the Broker.

#### **5.21 INVOICING / INSURANCE PREMIUM**

Broker shall submit an invoice for the insurance premium(s) due. Original and three (3) copies of the invoice shall be submitted to:

State of Hawaii  
Department of Accounting and General Services  
Attention: Risk Management  
1151 Punchbowl Street, Room 111B  
Honolulu, Hawaii 96813

All invoices shall reference the policy number(s).

## **5.22 PAYMENT OF INSURANCE PREMIUM**

HRS Section 103-10, provides that the State shall have thirty (30) calendar days after receipt of invoice or satisfactory completion of agreement to make payment. For this reason, the State will reject any proposal or offer submitted with a condition requiring payment within a shorter period. Further, the State shall reject any proposal or offer submitted with a condition requiring interest payments greater than that allowed by HRS 103-10, as amended.

The State shall not recognize any requirement established by the broker and communicated to the State after the award which requires payment within a shorter period or interest payment not in conformance with statute.

A tax clearance certificate, not over two (2) months old, with an original green certified copy stamp; two (2) copies of the current DCCA Certificate of Good Standing; and two (2) copies of the DLIR form LIR#27, must accompany the invoice for payment. You may provide hard copies, or choose to use the HCE (see Section 5.9). The SPO Form-22 is also required (See Section 5.9).

## **5.23 CHANGES – UNANTICIPATED AMENDMENTS**

During the course of the Broker's term, the Broker may be required to perform additional work that will be within the general scope of the agreement. When additional work is required, the BMO will provide the Broker a written description of the additional work and request that the Broker submit a firm time schedule for accomplishing the additional work.

The Broker will not commence additional work until the Procurement Officer or his authorized representative has issued a written modification to this agreement.

## **5.24 MODIFICATIONS**

The agreement may be modified only by written document signed by the Procurement Officer and the Broker personnel authorized to sign modifications on behalf of the Broker.

## **5.25 SELECTION INVALIDATION**

If any provision of this selection is found to be invalid, such invalidation will not be construed to invalidate the entire agreement.

## **5.26 INSPECTION & MODIFICATIONS – REIMBURSEMENT FOR UNACCEPTABLE DELIVERABLES**

The Broker is responsible for the completion of all work set out in their proposal and this SFS. All work is subject to inspection, evaluation, and approval by the BMO. The State may employ all reasonable means to ensure that the work is being performed in compliance with their proposal and this SFS. Should the BMO determine that corrections or modifications are necessary in order to accomplish its intent, the BMO may direct the Broker to make such changes.

Substantial failure of the Broker to perform the services required may cause the State to terminate the agreement with the Broker. In this event, the State may require the Broker to reimburse monies paid (based on the identified portion of unacceptable work received) and may seek damages.

#### **5.27 STAFFING REQUIREMENTS**

Key personnel, whose names and resumes are submitted in the proposal, if so required, shall not be removed from this project without prior approval of the BMO. Substitute or additional personnel shall not be used for this project until a resume is received and approved by the BMO.

Personnel changes that are not approved by the BMO may be grounds for the Broker's termination.

The State shall have the right, and the Broker will comply with any request, to remove any personnel from all work on this project effective immediately upon notification by the State.

#### **5.28 SERVICE EVALUATIONS**

The State may conduct semi-annual or annual performance evaluations of the Broker. The evaluations will review the Broker's performance in the areas stated in Section Two, of the SFS. In addition, the Broker's performance in the area of general servicing, such as responsiveness to inquiries, returning phone calls, providing information in a timely manner, etc. will be evaluated. The evaluation will be reviewed with the Broker and the Broker will have the opportunity to respond and correct the performance. If the broker fails to correct the unsatisfactory performance, the State will have the option to terminate the Broker's services, as described in paragraph 5.31 of the SFS.

The State and the Broker will meet and schedule annual timelines for the insurance renewals and services that are to be provided to the State. These timelines will be part of the criteria that will be evaluated on a semi-annual or annual basis.

#### **5.29 DEBRIEFING AND PROTEST**

A debriefing and/or protest are not provided under this procurement because it is exempt from Chapter 103D, HRS.

#### **5.30 GOVERNING LAW; COST OF LITIGATION**

The validity of this agreement and any of its terms or provisions, as well as the rights and duties of the parties to this agreement, shall be governed by the laws of the State of Hawaii. Any action at law or equity to enforce or interpret the provisions of this agreement shall be brought in a state court or competent jurisdiction in Honolulu, Hawaii.

In case the State shall, without any fault on its part, be made a part to any litigation commenced by or against the Broker in connection with their proposal and this SFS, the Broker shall pay all costs and expenses incurred by or imposed on the State, including attorneys' fees.

### 5.31 TERMINATION

The State reserves and has the right, at any time during the term of the agreement, in its sole discretion, to terminate and cancel said agreement in the public interest or for the convenience of the State; provided, that the State gives the Broker written notice of any cancellation or termination no less than ninety (90) calendar days prior to the effective date of such cancellation or termination. The Broker's obligation under this agreement shall continue until the specified termination date.

### 5.32 ADDITIONS TO THE GC

**Approvals.** Any agreement arising out of this offer may be subject to the approval of the Department of the Attorney General as to form, and is subject to all further approvals, including the approval of the Governor, required by statute, regulation, rule, order, or other directive.

**Cancellation of Solicitations and Rejection of Offers.** The solicitation may be cancelled or the offers may be rejected, in whole or in part, when in the best interest of the purchasing agency.

**Competency of Offeror.** Prospective Offeror must be capable of performing the work for which offers are being called. Either before or after the deadline for an offer, the purchasing agency may require Offeror to submit answers to questions regarding facilities, equipment, experience, personnel, financial status or any other factors relating to the ability of the Offeror to furnish satisfactorily the goods or services being solicited by the STATE. Any such inquiries shall be made and replied to in writing; replies shall be submitted over the signatures of the person who signs the offer. Any Offeror who refuses to answer such inquiries will be considered non-responsive.

**Confidentiality of Material.** All material given to or made available to the Broker by virtue of this agreement, which is identified as proprietary or confidential information, will be safeguarded by the BROKER and shall not be disclosed to any individual or organization without the prior written approval of the STATE.

All information, data, or other material provided by the Offeror or the Broker to the State shall be subject to the Uniform Information Practices Act, chapter 92F, HRS. The Offeror shall designate in writing to the Procurement Officer those portions of its proposal or any subsequent submittal that are trade secrets or other proprietary data that the Offeror desires to remain confidential, subject to Section 24 of the GC. The Offeror shall state in its written communication to the Procurement Officer, the reason(s) for designating the material as confidential, for example, trade secrets. The Offeror shall submit the material designated as confidential in such manner that the material is readily separable from the offer in order to facilitate inspection of the non-confidential portion of the offer.

If a request is made to inspect the confidential material, the inspection shall be subject to written determination by the Office of the Attorney General in accordance with chapter 92F, HRS. If it is determined that the material designated as confidential is subject to disclosure, the material shall be open to public inspection, unless the Offeror protests under Section 24 of the GC. If the request to inspect the confidential material is denied, the decision may be appealed to the Office of Information Practices in accordance with §92F-15.5, HRS.

**Nondiscrimination.** No person performing work under this Agreement, including any subcontractor, employee, or agency of the Broker, shall engage in any discrimination that is prohibited by any applicable federal, state, or county law.

**Preparation of Offer.** An Offeror may submit only one offer in response to a solicitation. If an Offeror submits more than one offer in response to a solicitation, then all such offers shall be rejected.

**Records Retention.** The Broker and any subcontractors shall maintain the books and records that relate to the Agreement for five (5) years from the date of final payment of the insurance premiums under the Agreement.

#### **5.33 DOWNLOADED SOLICITATION**

Offeror is advised that if interested in responding to this solicitation, Offeror may choose to submit its offer on a downloaded document from the Internet provided Offeror registers its company by fax or e-mail for this specific solicitation. If Offeror does not register its company, Offeror will not receive addenda, if any, and its offer may be rejected and not considered for award.

**SECTION SIX  
ATTACHMENTS**

**ATTACHMENTS**

Attachment 1:       OFFER FORM, OF-1

**\*This form must be completed, signed, and included with the original and all eight (8) copies of the SFS submittal package.**

Offer Form    OF-1  
Insurance Brokerage Services  
Department of Accounting and General Services,  
State Risk Management and Insurance Administration

Procurement Officer  
Administrative Services Office  
State of Hawaii  
Honolulu, Hawaii 96813

Dear Sir:

The undersigned has carefully read and understands the terms and conditions specified in the Specifications and Special Provisions attached hereto, and in the General Conditions, dated April 15, 2009, by reference made a part hereof and available upon request; and hereby submits the following offer to perform the work specified herein, all in accordance with the true intent and meaning thereof. The undersigned further understands and agrees that by submitting this offer, 1) he/she is declaring his/her offer is not in violation of Chapter 84, Hawaii Revised Statutes, concerning prohibited State contracts, and 2) he/she is certifying that the offer submitted was independently arrived at without collusion.

The undersigned represents: **(Check ✓ one only)**

- ☐ A **Hawaii business** incorporated or organized under the laws of the State of Hawaii;  
**OR**  
☐ A **Compliant Non-Hawaii business** not incorporated or organized under the laws of the State of Hawaii, but registered at the State of Hawaii Department of Commerce and Consumer Affairs Business Registration Division to do business in the State of Hawaii.

State of incorporation: \_\_\_\_\_

Offeror is:

- ☐ Sole Proprietor    ☐ Partnership    ☐ Corporation    ☐ Joint Venture  
☐ Other \_\_\_\_\_

Federal I.D. No.: \_\_\_\_\_

Hawaii General Excise Tax License I.D. No.: \_\_\_\_\_

Payment address (other than street address below): \_\_\_\_\_

City, State, Zip Code: \_\_\_\_\_

Business address (street address): \_\_\_\_\_

City, State, Zip Code: \_\_\_\_\_

Respectfully submitted:

Date: \_\_\_\_\_ (x) \_\_\_\_\_

Authorized (Original) Signature

Telephone No.: \_\_\_\_\_

Fax No.: \_\_\_\_\_ Name and Title (Please Type or Print)

E-mail Address: \_\_\_\_\_ \*

**Exact Legal Name of Company (Offeror)**

\*If Offeror is a "dba" or a "division" of a corporation, furnish the exact legal name of the corporation under which the awarded agreement will be executed:

## **SECTION SEVEN APPENDICES**

### **APPENDICES**

- Appendix I: Subsequent Timelines After Broker Selection
- Appendix II: Summary of Exposure Data
- Appendix III: Summary of Current Insurance Program

### **Subsequent Timeline After Broker Selection**

The timeline for the State's December 1, 2009 renewal is:

<b><u>ACTIVITY/TASK</u></b>	<b><u>DATE</u></b>
1. Meet ASO and RMO staff <ul style="list-style-type: none"><li>• Discuss goals</li><li>• Map strategy for planning</li><li>• Renewal strategy</li><li>• Calendar future meetings</li></ul>	week of August 3, 2009
2. Receive insurance proposals from broker	October 16, 2009
3. Select final insurance program	November 16, 2009
4. Renewal finalized	November 30, 2009

**STATE OF HAWAII**  
**Summary Exposure Data**  
**(2009)**

1. Total Projected Budget: \$10.8 billion (per Comprehensive Annual Financial Report for the Fiscal Year ending June 30, 2007)
2. Number of vehicles 5594 (as of March 2009)
  - a. Private passenger 1960
  - b. School buses 106
  - c. All other 3528
  - d. Total 5594
3. Total insured values \$14.9 billion (buildings, contents, equipment, & business income)
4. Total number of employees 60,592 5,000 part-time
5. Number of students:
  - a. Grades K-12 171,000
  - b. Higher Education 53,400
  - c. Total 224,400
6. Seating capacity, Aloha Stadium 50,000
7. Population 1,283,400 (State of Hawaii – Data Book, as of 7-1-07)
9. Miles of State owned roads 960 miles



**STATE OF HAWAII  
STATEWIDE INSURANCE PROGRAM  
DECEMBER 1, 2008 TO DECEMBER 1, 2009**

PROPERTY INSURANCE	LIABILITY INSURANCE	CRIME INSURANCE
<p><b>Coverage &amp; Limits:</b> Real and Personal Property - "All Risk" of Direct Physical Loss, including</p> <p>Windstorm \$ 175 million Occurrence Flood \$ 175 million per Occ. / Aggregate Earthquake \$ 175 million per Occ. / Aggregate Terrorism: \$ 50 million Occurrence (stand-alone) Boiler &amp; Machinery \$ 175 million Occurrence</p> <p>The following are included: Business Interruption; Extra Expense; Valuable Papers; EDP Equipment &amp; Media; Demolition &amp; Increased Cost of Construction; Newly Acquired Property; Fine Arts; Debris Removal; Off Premises Utility Interruption; Transit; Professional Fees; Builders Risk Soft Costs; Pollution Cleanup &amp; removal.</p> <p><b>Deductibles:</b> Windstorm: 3% of values per unit of insurance, subject to a "per occurrence" minimum of \$1,000,000 EQ, Flood Damage, Tsunami &amp; Volcanic Action: 3% of values per unit of insurance, subject to a "per occurrence" minimum of \$1,000,000 (Note: max applicable to Honolulu Int'l Airport is \$25M for all CAT perils) Other Losses: \$1,000,000 per Occurrence</p> <p><b>Terrorism:</b> \$50,000 per Occurrence</p> <p><b>Insurers:</b> <b>Primary:</b> Underwriters at Lloyds, Axis Specialty Europe Ltd., Ironshore Ins. Ltd., Allied World Assurance Co. <b>Excess Property:</b> Various London &amp; Domestic Markets <b>Terrorism:</b> Underwriters at Lloyds <b>Deductible Buy Back:</b> Underwriters at Lloyds, Ironshore Ins. Ltd., Lexington Ins. Co.</p>	<p><b>Coverage &amp; Limits:</b> \$10 million Any one occurrence or Wrongful Act or series of continuous repeated or related occurrences \$10 million Products/Completed Operations Hazard Aggregate \$10 million Errors &amp; Omissions Liability Aggregate (other than Personal Injury or Advertising Injury) \$10 million Employees Benefits Liability Aggregate Bodily Injury and Property Damage Personal and Advertising Injury Errors and Omissions Liability Employment Practices Liability Automobile Liability Watercraft Liability Dam Coverage Terrorism Coverage</p> <p><b>Major Exclusions:</b> Pollution, Asbestos, Airport &amp; Aircraft, Medical Malpractice, Nuclear Energy, Subsidence, Inverse Condemnation, Workers' Compensation/Employer's Liability, ERISA, Failure to Procure Insurance, Failure to Supply Utilities, Intentional Injury, Fungus, Uninsured/Underinsured Motorist</p> <p><b>Self-Insured Retention:</b> \$4 million/Occurrence or Wrongful Act</p> <p><b>Insurer:</b> Everest Reinsurance Company</p>	<p><b>Coverage &amp; Limits:</b> Public Employee Dishonesty \$10 million Forgery or Alteration \$10 million Theft, Disappearance and Destruction \$10 million Robbery &amp; Safe Burglary \$10 million Computer Fraud \$10 million Wire Transfer Communication \$10 million Fraud Money Orders and Counterfeit Paper Currency \$10 million Faithful Performance of Duty \$10 million Credit/Debit or Charge Card Forgery \$10 million Claims Expense Coverage \$ 100,000</p> <p><b>Deductible:</b> \$500,000 per Occurrence \$1,000 Claims Expense</p> <p><b>Insurer:</b> National Union Fire Ins. Co.</p>